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REFORMING THE PUBLIC SERVICE IN SOUTH AFRICA: A POLICY FRAMEWORK

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ABSTRACT

This Paper examines the measures taken to reform a state bureaucracy that was orientated to the needs of the white minority and which was the backbone of the apartheid system. This was a state, which in addition to its inherently racist nature, was structured according to closed models of public and development management. It was thus characterised by outdated management practices, corruption and mismanagement of resources. This article highlights the steps taken to create a more representative and legitimate public service and one that is reflective of the demographic composition of the majority. The second challenge has been to reform outdated management systems and practices and to ensure improved service delivery and accountability.

The achievements of integrating the ethnically fragmented public service and in promoting a more representative bureaucracy and the promotion of a more transparent form of administration are highlighted in the Paper. However, this process has not always run smoothly. The author was a chairperson of a departmental investigation into the operations of provincial governments which uncovered extensive evidence of administrative malpractice, poor delegation and co-ordination as well as delegation of the employment of large numbers of supernumeracies and 'ghost workers'. Copyright © 2000 John Wiley & Sons, Ltd.

INTRODUCTION

The 1990s has been declared the 'Decade of public service renewal'. Both developed and developing nations are grappling with the same challenge of governance, and numerous countries are deeply engaged in public service reforms. In South Africa the transition from apartheid rule to democratic governance poses exciting challenges. Opportunities to develop a unified society, motivated by a common purpose to overcome the myriad political, social and economic problems that beset the country, abound. In general the public service has a major role to play in reconciling, reconstructing and developing society.

The South African public service is experiencing a paradigm shift in its attempt to govern effectively and efficiently. This emerging paradigm is marked by, *inter alia*:

- the desire to provide high-quality services valued by citizens;
- increased autonomy from centralized control;
- a shift to performance measurement of both individuals and institutions with corresponding reward structures;
- the provision of human and technological resources needed to meet performance targets;
- an open-mindedness to exploring changes in traditional public service functions and responsibilities.

The year 1994 marked a watershed in the history of South Africa. It ushered in a new democratic order and paved the way for revolutionary change in the public service. The ensuing years, between 1994 and 1998, saw rapid changes taking place in the country. Nowhere was this more evident than in the public service. To a large extent, pressure for change in the public service was self-propelled by the new democratic government, but pressure also came from citizens, many of whom had voted for the first time in 1994 and who had expectations of improved conditions and a better life.

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Of necessity, public service reform had to focus on legislative as well as administrative reform. The legislative reform agenda had its roots in the principles drawn from both the 1993 and 1996 Constitutions. The intention of administrative reform was to replace the rule-bound, command-and-control approach of the apartheid regime with one that aimed to reorient public servants to 'serve the public' in a customer-focused way.

SITUATIONAL ANALYSIS, MILESTONES AND ACHIEVEMENTS IN THE IMPLEMENTATION OF CIVIL SERVICE REFORMS

Long before a democratic government was installed in South Africa, the African National Congress (ANC), in preparation for the taking over of government, produced a document outlining its programme for reconstruction and development. The Reconstruction and Development Programme (RDP) was subsequently adopted by the first democratic government of South Africa to unite society and reorient its citizens to the common goal of a socially coherent and economically equitable society.

The early stages of the transformation process in 1994 were marked by the lack of an overall vision to guide the process. There was, however, a high level of commitment to change, and early initiatives during those formative years were characterized by parallel, but unco-ordinated, change processes in most government departments. However, the White Paper on the Transformation of the Public Service (WPTPS), released in November 1995, provided a conceptual framework for the transformation of the South African public service. Moreover, it formed a coherent guide to inform, manage and drive the transformation process. The goals set out in the WPTPS were further entrenched in the 1996 Constitution, which sets out the following basic values and principles governing public administration (Article 195(1)).

(a) A high standard of professional ethics must be promoted and maintained.
(b) Efficient, economic and effective use of resources must be promoted.
(c) Public administration must be development-oriented.
(d) Services must be provided impartially, fairly, equitably and without bias.
(e) People's needs must be responded to, and the public must be encouraged to participate in policy making.
(f) Public administration must be accountable.
(g) Transparency must be fostered by providing the public with timely, accessible and accurate information.
(h) Good human resource management and career development practices, to maximize human potential, must be cultivated.
(i) Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past to achieve broad representation.

The definition of the role of the state and its relationship to civil society in the new democratic order is clearly spelt out in the WPTPS. It states that government:

> is aware that the process of transformation can only succeed if it is carried out in partnership with the organizations of civil society. Structured opportunities must therefore be provided to involve civil society in the formulation, implementation and monitoring of government policies and programmes at all levels, national, provincial and local (Department of Public Service and Administration, 1995, p. 15).

Given the exclusionary policy that was followed during the apartheid era, the new government's commitment to inclusion of and partnerships with civil society is in itself revolutionary.

The RDP, the 1993 and 1996 Constitutions and the WPTPS represent the core set of documents that have informed and shaped strategies and policies on transformation. In moving towards actualizing its vision for

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the new public service, the government has identified the following priority areas for the transformation process:

- rationalization and restructuring to ensure a unified, integrated and leaner public service;
- institution building and management;
- representativeness and affirmative action;
- transformation of service delivery to meet basic needs;
- democratization of the state;
- human resource development;
- improvement of employment conditions and labour relations;
- promotion of a professional service ethos;
- information technology.

These nine priorities provide a strategic focus for the transformation of the South African public service. All initiatives to carry the transformation process forward are directly linked to these priorities.

LEGISLATIVE REFORM

In order to give effect to the policies and proposals set out in the WPTPS and the values and principles set out in the 1996 Constitution, existing legislation had to be amended and new legislation introduced. In addition, excessive centralization of powers and functions was identified as one of the biggest problems hindering efficiency and effectiveness in the public service. Legislative reform was directed at addressing this problem and improving service delivery.

The legislative reform programme forms an integral part of the broader transformation process currently taking place in the country. It cascades from the provisions laid out in the 1996 Constitution, which define new powers and functions for the different organs of the public service and administrative system. The legislative reform programme has been characterized by three distinct phases.

(1) One of the early legislative reform initiatives was the promulgation of the Public Service Act in 1994, aimed at amalgamating the 11 administrations of the former Republic of South Africa (RSA), the TBVC states (i.e. Transkei, Bophuthatswana, Venda and the Ciskei) and the self-governing territories. As the Act still contained discriminatory clauses that conflicted with the equality provisions of the 1993 Constitution, an Amendment Act was introduced to remove the remaining discriminatory clauses and to introduce equality. This formed the crux of the first phase of legislative reform.

(2) There were additional problems with the Public Service Act, specifically with the provisions that gave executive powers to the Public Service Commission (PSC). This was in conflict with international best practice as well as the provisions of the 1993 Constitution. There was thus a constitutional imperative for the Minister of Public Service and Administration to assume responsibility for formulating and executing policy and, as an elected figure, to be accountable to Parliament and the public for these policies.

In what can be regarded as a watershed year for public administration in South Africa, the executive functions were transferred from the Public Service Commission to the Minister of Public Service and Administration in 1996. This second phase of the legislative reform programme dealt specifically with the location of powers and functions between the Minister of Public Service and Administration and the Public Service Commission. It also dealt with the devolution of power to executive authorities (politicians). This addressed some of the problems obstructing the effective management and administration of provincial administrations.

This phase culminated in the enactment of the Public Service Law Amendment Act of 1997. In terms of the Act, powers and functions of different public service organs have been restructured. The Minister for Public Service and Administration is responsible for:

- policy on functions of the public service and advice to the President regarding creation and/or abolition of departments;

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- determination of policy on and actual conditions of service, scales of salaries, wages and allowances of classes, ranks and grades;
- employment policy;
- internal organization, organizational structure, transfer of functions, post establishment, creation, grading and abolition of posts;
- appointments, promotions and transfers.

Furthermore, the Act makes provision for a single Public Service Commission to replace the current Public Service Commission and nine Provincial Service Commissions. The new Public Service Commission, which came into effect in April 1998, comprises five national and nine provincial commissioners. The Public Service Commission is responsible for monitoring and evaluation and for ensuring compliance with policies.

(3) Phase three of the legislative process is intended to further address the issue of excessive centralization and to promote departmental autonomy and responsibility. It also aims to replace the rule-bound culture of work with a culture of efficiency and effectiveness.

ADMINISTRATIVE REFORM

As indicated above, the broad policy framework for transformation in the public service is set out in the WPTPS. Since then, a number of White Papers have been released, which further develop and define policies and strategies, give effect to transformation objectives and provide guidelines for policy implementation.

The initial phase of administrative reform focused on putting in place new policies aimed at radically transforming the public service and guiding the achievement of the objectives in the WPTPS. During this period, until the end of 1997, many new policies were gazetted. They focused on:

- changing the way services are delivered;
- human resource practices that empower individuals;
- performance management;
- affirmative action;
- public service training and education;
- revising labour relations;
- a new salary grading system.

TRANSFORMING SERVICE DELIVERY: PROJECT BATHO PELE (PEOPLE FIRST)

The Batho Pele initiative, based on the White Paper on Transforming Service Delivery, gives effect to one of the transformation objectives set out in the WPTPS: that of making service delivery a priority in national and provincial departments. Within this context, Batho Pele aims to improve the way in which services are delivered. It calls for a shift away from bureaucratic systems, processes and attitudes, towards a new way of working which is better, faster and more responsive and which puts the needs of the public first. Batho Pele signals a dynamic process to nurture a cordial, friendly and customer-focused relationship between the public service and its individual clients.

In developing service delivery strategies, the WPTPS (Department of Public Service and Administration, 1995, p. 59) requires national and provincial departments to identify:

- a mission statement for service delivery, together with service guarantees;
- the services to be provided, to which groups, and at which service charges; in line with the RDP priorities, the principle of affordability, and the principle of redirecting resources to areas and groups previously under-resourced;
- service standards, defined outputs and targets, and performance indicators, benchmarked against comparable international standards;

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- monitoring and evaluation mechanisms and structures designed to measure progress and introduce corrective action, where appropriate;
- plans for staffing, human resource development and organization capacity building, tailored to service delivery needs;
- the redirection of human and other resources from administrative tasks to service provision, particularly for disadvantaged groups and areas;
- financial plans that link budgets directly to service needs and personnel plans;
- potential partnerships with the private sector, non-governmental organizations (NGOs) and community organizations to provide more effective forms of service delivery;
- the development, particularly through training, of a culture of customer care and of approaches to service delivery that are sensitive to issues of race, gender and disability;
- plans for the introduction of continuous quality improvement techniques, in line with a total quality management approach.

The Batho Pele initiative also aims to redress the imbalances of the past, particularly by meeting the needs of the 40% of the population living below the breadline, and the needs of, amongst others, rural women and the disabled. Batho Pele is meant to:

> put pressure on systems, procedures, attitudes and behaviour with the public service and reorientate them in the customer's favour, an approach which puts the people first. This does not mean introducing more rules and centralized processes or micro-managing service delivery activities. Rather, it involves creating a framework for the delivery of public services, which treats citizens more like customers and enables them to hold public servants to account for the service they receive (Department of Public Service and Administration, 1997a, p. 12).

To ensure that service delivery is continuously improved, the Batho Pele initiative requires that national and provincial departments outline their short-, medium- and long-term goals for service provision and provide regular reports on their achievements to their respective legislatures.

MANAGING PEOPLE IN A TRANSFORMED PUBLIC SERVICE

National departments and provincial administrations employ approximately 1·2 million people, consuming more than 50 per cent of all public expenditure. People are undoubtedly the public service's most valuable asset – not only because of the cost in terms of personnel expenditure, but because they are responsible for the provision of public services and the implementation of government policies. It is therefore crucial that human resource management forms a cornerstone of the wider transformation of the public service.

Under the old order, managing people was seen as an administrative task undertaken by functionaries who applied centrally devised regulations and prescripts. The personnel functionary's role was primarily to ensure adherence to the regulations. Against this backdrop, inherited policies and practices relating to the employment of public servants, the management of their career incidents and performance and the termination of their services are in many instances outdated. These policies are over-prescriptive, do not focus effectively on attaining key human resource objectives and emphasize processes rather than outcomes.

The new public service requires new skills, innovative approaches and critical and creative thinking. If this profile of a public service is to be achieved in the long term, it is necessary to effect a shift in personnel practices, from a personnel administration approach which essentially implies the policing of adherence to regulations, to a human resource management approach which focuses on creating an enabling work environment in which the creative energies of public servants can be harnessed and actualized.

The White Paper on Human Resource Management (Department of Public Service and Administration, 1997b, p. 10) sets out its vision for the public service as 'a diverse, competent and well-managed workforce,

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capable of and committed to delivering high quality services to the people of South Africa'. Four critical principles underpin this vision.

An open employment system

An open employment system is propagated whereby all posts will be filled by competition. The level of competition will be determined by the department or provincial administration. Competition can be autonomously determined by the department or provincial administration in one of three ways:

- *open* to those within and outside the public service;
- *targeted* to an area or sector of the economy;
- *internal* to those within a department or provincial administration.

The decentralization of powers and responsibilities

Excessive centralization will be replaced with an approach that facilitates maximum departmental autonomy and managerial responsibility within a coherent public service. To achieve this, all managers have to become competent in human resource management. The function of human resource management will cease to be the peripheral responsibility of the personnel practitioner alone.

A realignment of human resource practices with the 1996 Constitution and the Labour Relations Act of 1995

The White Paper on Human Resource Management integrates the constitutional principles of efficiency, fairness, equity, accountability and transparency into the policy. It also realigns human resource management practices with the provisions of the Labour Relations Act of 1995.

A shift from administering human resources to managing human resources

Departments and provincial administrations will be empowered to determine, within nationally defined parameters, their own human resource management policies in order to deliver on their particular objectives. Also in this context, the ultimate responsibility for the efficient and economical management of departments will rest with political office-bearers and their heads of department.

The provisions of the White Paper on Human Resource Management suggest that the role of human resource practitioners will be to guide and advise managers on matters such as employment legislation, public service policies and personnel matters. This will take place within a framework where line managers are free to manage the human resource function in accordance with their operational goals and expected outcomes.

TRAINING AND DEVELOPMENT

The changes in government and in South African society as a whole have brought about tremendous challenges and opportunities in the field of training, retraining and development of public servants. The White Paper on Public Service Training and Education, released in July 1997, establishes a clear vision and policy framework for transforming training and education into a dynamic, needs-based and proactive instrument.

The main emphasis of the White Paper on Public Service Training and Education is on skills development. In this context the White Paper focuses mainly on formal training and education programmes, although it recognizes that less formal methods such as on-the-job training, coaching, mentoring, work shadowing, job rotation, job enrichment and participation in multi-skilled project teams can play a key role.

The White Paper on Public Service Training and Education (Department of Public Service and Administration, 1997c, p. 12) identifies three core problems in the provision of training and education.

- The fragmented and uncoordinated approach to training and education across the Public Service resulting in the absence of resources and accountability for ensuring that public servants are empowered and developed to take on the challenges they face.

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- The lack of a strategic needs based, outcomes based and competency based approach to Public Service Training and Education, directly related to the developmental needs of the Public Service as outlined in the RDP, and the White Paper on Transformation of the Public Service and other related policy documents.
- The inappropriate nature of the training and education that is provided by many in-service and external providers.

In addressing some of the problems outlined above, the main objectives of the White Paper on Public Service Training and Education are:

- to provide a coherent public service training policy that is in line with the national skills development strategy;
- to provide for strategic planning and better co-ordination of training and education in the public service;
- to provide for the introduction of a capacity development standard training award system which will provide an incentive for national departments and provincial administrations to speedily adopt and implement an integrated approach to training;
- to provide for an appropriate funding mechanism for training;
- to provide for appropriate monitoring and evaluation of training and education in the public service.

Within the scope of the White Paper, departments may support any type of training provided that it contributes to enhancing the skills of personnel to perform their jobs better. It also makes provision for providing assistance to potential employees. Employees who benefit from support for training other than pre-tertiary education must serve the department for a fixed period.

It is anticipated that the following outcomes will result from pursuing the objectives set out in the White Paper:

- strategically linking training to the broader process of transformation, institution building and human resource development;
- effective co-ordination, organization and accreditation of training, which promotes quality, accountability and cost-effectiveness;
- flexible and decentralized training within national norms and standards;
- broad participation and involvement of all relevant stakeholders;
- promote access of all personnel to meaningful training;
- promote the empowerment of previously disadvantaged groups.

AFFIRMATIVE ACTION AND REPRESENTATIVENESS

Given the great imbalances in the public service in the past, one of the main priorities of the transformation process has been to ensure that the public service is representative of the demographic composition and diversity of society. This was an important political and administrative imperative and is entrenched in Article 9(2) of the 1996 Constitution:

> Equality includes the full and equal enjoyment of all rights and freedoms. To promote the achievement of equality, legislative and other measures designed to protect or advance persons or categories of persons disadvantaged by unfair discrimination may be taken.

The affirmative action policy constitutes one of the 'other measures' cited above. Affirmative action measures are interim measures designed to speed up the process of achieving representativity and of redressing the disadvantaged status of women, blacks and people with disabilities. The Draft White Paper on Affirmative Action in the Public Service defines affirmative action as 'the additional steps, which must be taken in order that those who have been historically disadvantaged are able to derive full benefit from an equitable employment environment' (Department of Public Service and Administration, 1997d, p. 4).

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In order to achieve representativity, the WPTPS sets the following targets.

- Within 4 years all departmental establishments should comprise 50% blacks at management level.
- Within the same time frame at least 30% of new recruits at senior and middle management level should be women.
- Within ten years people with disabilities should comprise 2% of the Public Service personnel (Department of Public Service and Administration, 1995, p. 55).

The Draft White Paper on Affirmative Action recommends that these targets serve as minimum guidelines, but also calls on departments to develop more refined targets based on their unique circumstances and specific inequalities. The government will review and reset national minimum targets in 1999 and every three years thereafter.

The Draft White paper on Affirmative Action argues that despite the removal of formal statutory barriers that barred entry into and advancement in the public service, there are some people who have been so disadvantaged that they will require additional measures to be able to benefit from affirmative action programmes.

> Systematic educational discrimination against black people and the backlog of opportunities for economic advancement have denied many the formal educational qualifications and necessary experience for entry into and advancement with certain types of occupations, especially technical occupations and managerial level posts. Within the Public Service, the majority of black people are to be found doing low-level work (Department of Public Service and Administration, 1997d).

Similarly, gender stereotyping has resulted in the majority of women being employed in lower-level work in sectors traditionally dominated by women, such as education and health. Even in these sectors, few women are found in decision-making positions. In cases where women are well qualified and experienced, the predominance of males at management level has resulted in a culture in which men do not readily accept their female colleagues as equals. These problems are compounded by a working environment which makes few concessions to domestic responsibilities such as child rearing – still primarily a female concern.

Most public service organizations make few concessions to the needs of people with disabilities. Prejudice, stereotyping and ignorance of how to manage disability in the workplace continue to limit the recruitment of people with disabilities. Negative attitudes, inaccessible and unsupportive working environments and inadequate training and development opportunities all make it difficult, if not impossible, for people with disabilities to gain employment and to advance in the public service.

Thus the objectives of the affirmative action policy set out in the Draft White Paper on Affirmative Action are to:

- speed up the achievement and progressive improvement of the numeric targets set out in the White Paper on Transformation of the Public Service;
- develop and introduce practical measures to support the advancement within the Public Service of black people, women and people with disabilities;
- inculcate a Public Service culture, which values diversity and supports the affirmation of those who have previously been unfairly disadvantaged (Department of Public Service and Administration, 1997d, p. 8).

PERFORMANCE MANAGEMENT IN THE PUBLIC SERVICE

When the Public Service Amendment Act of 1997 and the new public service regulations come into effect, a new performance management system will be implemented. One of the main benefits of the system is that it establishes clear links between the objectives of the institution and work objectives of individuals. This

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signals a change in the style and philosophy of personnel assessment in that it allows for performance to be managed, developed and rewarded in a participative and consultative manner. The ultimate aim of the system is to create and reinforce a competent, flexible, motivated and well-trained workforce.

It is believed that the introduction of an effective system, including the use of incentives, will proactively remedy poor performance. Consequently, there is a tremendous focus on individual skills development and capacity-building needs. Under the new performance management system, promotion and career advancement are based on performance rather than on seniority or qualifications.

Furthermore, under the current system, only directors-general are put on contract with ministers. However, the new system extends performance contracts to the level of director and higher, while performance management *per se* will be in effect for all public servants.

The performance management system represents a huge step towards ensuring that the public service evolves into a highly productive organ which enhances service delivery and whose employees are accountable for the quality of the outputs they deliver.

RATIONALIZATION OF CONDITIONS OF SERVICE AFTER 1994

As a result of the political changes in 1994, the public service's executive administration had to be brought in line with the country's new political executive structures. In fact, constitutional change could not have been completed without this restructuring. Before 1994 the RSA was effectively divided into 11 separate 'states', each with its own government, legislation and administrative systems. The public service constituted 38 departments and provincial administrations, employing a workforce of about 750 000. Combined, the public services of the TBVC states consisted of 76 departments and approximately 210 000 employees. The combined administrations of the former six self-governing territories had 62 departments with a total workforce of 270 000 public servants. This added up to 176 departments with approximately 1·23 million public servants.

The various public services differed in numerous respects, because each of them had developed according to their own needs, preferences and circumstances. These differences were reflected, *inter alia*, in the departmentalization of functions, post structures, conditions of service and functional legislation in terms of which services were rendered. However, the conditions of service that prevailed in the former self-governing territories were basically the same as those in the RSA. With the implementation of the 1993 Constitution in 1994, salaries, allowances, conditions of service and related measures were rationalized in terms of Article 236(4) of the Constitution.

Implementation of a new salary grading system

A new salary grading system was implemented with effect from 1 July 1996. The system was developed in order to address a multitude of salary-related problems. These included low salary increases implemented over a number of years before 1996, a compacted salary key scale, inappropriate career pathing, unaccountable differences in salaries within the public service, and salaries which were lower than those paid in other public sector institutions – all of which inevitably led to labour unrest. The new grading system was the culmination of months of negotiations and workshops. While the new system was essentially a joint product of the state (as employer) and the employee organizations admitted to the former Central Chamber of the Public Service Bargaining Council, the technical development of the system was done by the Department of Public Service and Administration (DPSA).

The main feature of the new grading system is its 16 standard salary ranges, each consisting of three salary notches. This is in stark contrast to the old grading system which had 193 different salary scales with no logical relation to each other. The salary ranges in the new system no longer overlap, as was the case with the old salary scales. In general, salaries, and especially the minimum wage, have increased. The ratio of the wage gap has also been reduced significantly.

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In terms of the old grading system, employees qualified for automatic annual notch increments within the limits of their salary scales. This system ended with the introduction of the new grading system, according to which higher salary notches are awarded to employees based on their personal profiles. A personal profile is determined by taking into consideration appropriate attributes of value to the organization, such as performance, experience, skills and training. Consequently, the new system has contributed to the improvement of career pathing and upward mobility through a combination of occupational classes, the standardization of the qualifying periods for promotion and the extension of rank promotion.

Approximately 98 occupational allowances were payable under the old system, but most of these have now been incorporated into basic salaries. In terms of the new grading system, only a limited number of transverse allowances are payable to personnel who perform duties under specific circumstances.

The new salary grading system represents a significant step towards achieving the ideal of an efficient, goal-oriented and cost-effective public service. The next step towards this goal will be the implementation of the new Public Service Regulations, which aim to provide executive authorities with more autonomy with regard to the management of personnel in their departments.

Job evaluation

At present the public service does not utilize a general job evaluation system to evaluate all jobs across the various departments. This makes it difficult to grade posts correctly and objectively. To address this problem, the DPSA developed a specially adapted version of the computerized EQUATE job evaluation system in 1996 and 1997. The system is tailor-made for the needs and circumstances of the South African public service.

The main purpose of job evaluation is to determine the relative weight of jobs compared to other jobs in the public service, and to link these job weights to salary ranges. The weight of a job is determined by evaluating it in terms of five factors, namely: responsibility; thinking demands; knowledge, skills and experience required; communication requirements; and environmental factors. In terms of the new Public Service Regulations the Public Service and Administration minister shall determine the range of job weights to be linked to each salary range for each occupational category. This will enable executive authorities to determine employees' salaries on an objective, equitable and fair basis within a centrally determined framework.

To enable departments to comply with the requirements of the new regulations, a further project was initiated early in 1998 to implement the EQUATE system across the public service. Owing to time constraints and limited staff capacity, the system was initially applied only in the nine provincial administrations, the South African Police Service, the Department of Health and the DPSA itself.

The system will gradually be implemented in the remaining departments, with the biggest employing departments receiving priority. In the interim the DPSA will be responsible for job evaluations in departments where the system has not yet been implemented. The extent to which it can do so, however, will depend on its capacity. In addition to doing actual job evaluations in departments, the DPSA will also be responsible for implementing the system in other departments, monitoring and auditing the application of the system and providing training and technical advice to those departments where the system is already in operation.

Development of Codes of Remuneration

Prior to 1982, personnel in the public service were grouped into a limited number of broad occupational categories for remuneration purposes. At the time the former Commission for Administration, which was responsible for, *inter alia*, the determination of remuneration, came under pressure to distinguish between the different occupational categories, on the basis of their different functions, in order to ensure market-related remuneration for each category. In 1982/83 the Commission accepted a remuneration approach called occupational specific differentiation. The occupational specific investigations which emanated from this approach identified a large number of distinct occupational classes. Unique service dispensations were created for each occupational class, and all the elements of each service dispensation, including remuneration

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and job descriptions, were captured in documents called Personnel Administration Standards (PASs). Over the years the PASs proliferated to such an extent that by 1991 there were approximately 530 of them. Since then the number of PASs has been gradually reduced to an estimated 320.

Human resource management, and remuneration practice in particular, has changed drastically, both inside and outside the public service, since the inception of the PAS system. The system was no longer in step with the needs of a changing public service, and it became clear that it inhibited the ability of managers to effectively execute their responsibilities. The following specific shortcomings of PASs need to be highlighted.

- PASs are over-prescriptive, especially with regard to requirements for appointment and promotions. They overemphasize the importance of formal qualifications and neglect the knowledge and skills which people have obtained. This is not consistent with the National Qualifications Framework.
- PASs contain job descriptions which, although not prescriptive, to a large extent centralize work organization. Departments commonly try to fit their work organizations into existing PASs. Linked to this problem is the fact that the smallest amendments to PASs have to be negotiated centrally. This is a protracted and cumbersome procedure which causes delays in reorganizing work to effect policy changes.
- Clear career pathing for lower-level workers is absent in the PAS system, and career progression opportunities for most of these workers are virtually non-existent.
- The PAS system does not provide for a system where salaries are linked to job weights (as measured by a job evaluation system). This implies that there is a lack of transverse consistency and equity in respect of remuneration in the public service.

The new Public Service Regulations make provision for the Minister of Public Service and Administration to issue a Code of Remuneration (CORE) for each occupational category. These COREs will replace the various PASs. The development of COREs has been influenced by various policy initiatives such as White Papers as well as the findings of an independent investigation conducted by a team of international consultants, employee organizations and public servants. The development process has been characterized by high levels of consultation with and participation by managers (in their capacity as employers) and employees (including employee organizations).

The process for the establishment of COREs concentrates on the following:

- developing COREs for broad categories of personnel that will facilitate the flexibility in work organization which was lacking in the PAS system;
- providing for the implementation of a job evaluation system in the public service by linking salary ranges to job weights;
- eliminating the disjunction between unskilled, skilled and management jobs by defining career paths from level 1 to level 15 for broad categories of staff;
- developing guidelines on the skills, knowledge, training, experience and educational requirements for promotion and appointment;
- developing guidelines on the outputs of employees at each salary level in a CORE.

The information contained in a CORE will be divided into a prescriptive part (job weights, salary ranges and salary codes) and guidelines (nature of the job, key competencies and learning indicators per salary range). The prescriptive part of the CORE will be determined centrally, while the guidelines will allow departments and provincial administrations a great deal of flexibility as far as utilization of personnel is concerned.

The development of COREs will bring human resource management in the South African public service on a par with other progressive public services. With this new dispensation, Parliament and the public will be able to demand more appropriate work organization and, consequently, better services from the public sector. Managers will no longer be able to blame weak delivery of services on outdated and over-prescriptive bureaucratic systems.

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RIGHT-SIZING

The issue of an appropriately sized public service is one that has plagued government for the past three years. It continues to be a challenge as the state tries to balance service delivery needs against downward pressure on the public service wage bill. In fact, this point was best summed up by the African Governors of the World Bank.

> Consensus is building around the idea of a different kind of government and civil service – smaller and less expensive in the aggregate, but staffed by a highly motivated, capable, and competitively paid corps of public servants ... (Klitgaard, 1997, p. 488).

An agreement between the state and unions in 1996 linked the proper remuneration of workers to the achievement of an appropriately sized public service. The first objective of the right-sizing programme was the creation of a streamlined and efficient public service. It was also regarded as a way of supplementing the funds available for the implementation of the new salary grading system over a three-year period.

The right-sizing initiative was implemented in phases, with each phase marked by differing degrees of success. The first phase of the right-sizing programme was the abolition of posts budgeted for but not filled. As part of this process, approximately 18 200 posts to the value of R665 million were abolished.

The second phase of the right-sizing programme was the introduction of voluntary severance packages (VSPs). A communication campaign was launched to encourage departments and provincial administrations to market the initiative as widely as possible, especially among supernumerary personnel, and to expedite the processing of applications. As at September 1997, 48 054 persons had left the public service. A total of about 11 081 applicants were refused the package – in terms of the VSP provisions they were considered to be in key posts and their departure would have adversely affected service delivery. The salary bill dropped to R38 966 billion in 1997, compared with the previous year's R40 152 billion. Departments and provincial administrations were required to take further steps to reduce the size of the public service by setting right-sizing targets. This included taking into account the actual number of personnel employed, the number of funded vacancies, the number of VSP packages granted and the rate of personnel attrition. This initiative was met with limited success and necessitated the adoption of a new, scientific approach.

Right-sizing was intended to reduce the number of staff employed in activities that had become obsolete in terms of new priorities, and to make provision for growth in high-priority areas. The reprioritizing efforts were not very successful. One of the main obstacles was the large number of lower-level personnel who could not be redeployed and who did not apply for VSPs because of their limited marketability.

Another obstacle was the existence of 'ghost workers' or fictitious employees. It took a long time to identify and eradicate them from the payroll system. A team of local and international experts helped to address this pressing problem.

INFORMATION TECHNOLOGY

Information technology (IT) has great potential to speed up the transformation process. However, the public service's track record in the use of IT is far from ideal. Many opportunities have been lost and many public servants are still unaware of how IT can contribute to an effective and efficient public service. To a large extent, IT systems and practices have been inaccessible to the large majority in the public service. IT has for too long been the preserve of a privileged few.

In an attempt to address this issue, an Information Technology Executive Committee (ITEXCOM) was established. ITEXCOM is responsible for advising the minister and the broader public service on IT issues and for guiding, managing, co-ordinating and driving IT policies in the public service. It consists of directors-general and IT experts from all departments.

IT projects are co-ordinated and managed by the Standing Work Group. Their mandate is to:

- render advice to all departments and provinces;
- evaluate IT developments and initiate IT research;

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- make recommendations on IT standards;
- promote human resource development;
- promote information sharing;
- facilitate the establishment of *ad hoc* task teams if required;
- execute other tasks designated by ITEXCOM.

A major activity of ITEXCOM and the Standing Work Group is to assist departments to make their systems Year 2000 compliant. Another significant initiative that is being undertaken is the Government Information Project (GIP). Government is aware that information is its most critical resource, and the regular maintenance, provision and updating of information are crucial to effective service delivery. GIP has the following objectives and purpose:

- to promote effective information management to enable responsive service delivery and sound administration;
- to promote the concept of information management as a strategic resource;
- to create a culture of sharing and reusing information;
- to promote the alignment of business strategies, objectives and processes to information technology;
- to add value to the service required by the client;
- to co-ordinate transverse information needs and identify information sources;
- to establish norms, standards, principles and mechanisms to enable information sharing;
- to build information management capacity.

The challenge facing South Africa is to harness information technology resources to facilitate efficient and effective use of public resources in delivering services. To this end the DPSA has tabled, in both the National Assembly and National Council of Provinces, the State Information Technology Agency Bill (SITA) of 1998. The Bill seeks to establish an agency dedicated to information technology matters, and which would advise the Minister of Public Service and Administration on IT-related issues.

LABOUR RELATIONS

November 1996 saw the implementation of the Labour Relations Act of 1995. The Act transformed labour legislation in South Africa by creating a single labour relations act for the public and private sectors. Prior to this Act, each sector was governed by its own set of labour laws. Further fragmentation of labour relations legislation occurred within the public sector itself. The public service was divided into four sectors – the Educator sector, the South African Police Service, the Public Service and the Correctional Service. Two of these, the educator and police sectors, had their own labour laws.

This system complicated collective bargaining in the public service. Whilst the three collective bargaining mechanisms were negotiated separately, employers' mandates for negotiations were the same for each of them. Negotiations had to be co-ordinated so that agreement or deadlock could be reached simultaneously in all three bargaining councils. From a practical point of view this was hardly achievable, resulting in accusations that some councils were dictating negotiations for others. Obviously, this caused a great deal of tension in labour relations in the public service.

Another problem with the old system was the high degree of centralization of negotiations. Although each department and provincial administration had its own bargaining chamber, the issues which they could discuss were very limited. This resulted in minor issues being taken to the central bargaining chamber, which hampered negotiations on fundamental issues.

Many of the problems raised above are addressed in the establishment of a Public Service Co-ordinating Bargaining Chamber (PSCBC), which includes the educator and police sectors in central bargaining. Establishment of the new chamber will assist in streamlining collective bargaining in the public service.

The question of centralization and its effect on collective bargaining in the public service should also be seen in the context of legislative reform. The Public Service Law Amendment Act of 1997, which came into

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operation on 1 April 1998, grants power and duties to executive authorities to effectively manage the internal organization of their departments, recruitment, appointment, performance management, promotion, transfer and discharge. This Act will undoubtedly have an effect on collective bargaining in the public service. Departmental and provincial bargaining councils will be empowered to deal with more matters of mutual interest than they have been able to in the past.

Another main feature of the PSCBC is that it will deal with all matters regulated by uniform rules, norms and standards which apply across the public service. This means that salaries and conditions of service, up till now negotiated separately in three different chambers, will be dealt with in a single forum. It is envisaged that the PSCBC will, to a large extent, focus on framework agreements.

PROFESSIONAL SERVICE ETHOS

A Code of Conduct regulating the behaviour of public servants and promoting a professional service ethos was gazetted in June 1997. The Code of Conduct is intended to give practical effect to the relevant constitutional provisions relating to the public service. All public servants are expected to comply with the code.

The Code of Conduct serves as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationships with others. A positive aspect of the code is that it encourages creative thought and innovative approaches to problem solving within the context of the law.

Compliance with the code can be expected to enhance professionalism and ensure confidence in the public service.

NEW PUBLIC SERVICE REGULATIONS

One of the most exciting programmes in the field of transformation in South Africa is the introduction of new Public Service Regulations to replace those of the old order. Several problems with the old regulations necessitated the rewriting of the Public Service Regulations. In particular, the Public Service Staff Code, the Public Service Regulations and the Personnel Administration Standards were regarded as irrelevant, in both substance and style, to the transformation process. They were also incongruous with new and emerging legislation. Overly prescriptive, the old regulations hampered decentralized and accountable management.

The new Public Service Regulations came into effect on 1 April 1998. The regulations, intended to provide a 'unified, but not overly uniform' system, are contained in a lean document, replacing a myriad of files. The regulations are prescriptive nationally, provide a management framework and ensure equity and fairness within a unified public service.

TRANSFORMATION STRUCTURES

The WPTPS makes provision for the establishment of institutional mechanisms to facilitate the transformation and reform processes. Transformation units (in each department and in provincial administrations) and national and provincial transformation co-ordinating committees are some of the instruments created to achieve the objectives of transformation.

The mandate of the transformation units is to ensure that the transformation process is taken forward expeditiously and effectively. The main functions of the units (Department of Public Service and Administration, no date, p. 3) are:

- to initiate transformation activities, change management processes and programmes;
- to make recommendations to the head of the organization/department on issues relating to transformation goals;

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- to monitor, evaluate and report on the transformation process;
- to ensure that transformation objectives are integrated into the departments' strategic business and operational plans;
- to report to the national and provincial transformation co-ordinating committees on a regular basis;
- to report developments on transformation within departments to the public on an annual basis.

PRESIDENTIAL REVIEW COMMISSION

A Presidential Review Commission (PRC) was established by President Nelson Mandela to review the structures, systems and procedures in the public service and to make recommendations for improving transformation in the public service in line with the strategic vision set out in the WPTPS. The PRC consisted of local and international commissioners who were supported by task teams comprised of experts. The PRC conducted its investigation largely through interviews (including interviews with members of the public), research and presentations made by departments. The PRC presented its report, together with its recommendations, in March 1998.

THE WAY FORWARD

Some of the major challenges facing the public service are presented in the Provincial Review Report (Department of Public Service and Administration, 1997e), commonly referred to as the 'Ncholo Report'. The report is based on a series of reviews undertaken in each of the provinces between October 1996 and May 1997.

The main purposes of the provincial review were:

- to take stock of the reform process to date;
- to see how well the newly established administrations were progressing in their challenging tasks;
- to establish whether the administrations had capacity to manage block budgets (introduced in 1997);
- to find out if the new ways of governing and administering the country which were set up in 1994, and corporate governance in particular, as envisaged by the 1996 Constitution, are workable.

The key findings of the Provincial Review Report clearly describe the formidable challenges that still confront the South Africa public service. Some of the challenges presented in the Provincial Review Report are as follows:

- New policies are set at national level without due consideration to the organizational and service delivery implications in provinces.
- Many national departments are not monitoring the performance of service delivery activities. They (national and provincial departments) do not know how well they are doing their jobs.
- National financial regulations limit the efficient use of state resources. They do not establish value for money as the key principle. They require budgets to be in formats which are inappropriate and difficult for managers to use to make decisions. They constrain the purchase of goods and services to such an extent that the public regularly suffers.
- There is confusion in the direction given by national government in the management of the public service, including:
  - a lack of clarity over who is responsible for the management of key functions;
  - poor support from national departments in processes such as bargaining with unions;
  - poor communication to provinces of national human resource policy as well as the new grading system and treasury instructions.

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- National departments are not supporting provincial departments in the performance of their tasks. They:
  - have not provided sufficient development of provincial departmental capacity;
  - require provincial staff to attend too many meetings;
  - do not provide adequate provincial support for key national service contracts.
- Human resource capacity in the provinces continues to pose a challenge. This is not as a result of a lack of staff, but as a result of a lack of appropriate skills to perform especially in technical areas.
- Financial management systems do not fully promote the effective management of public funds. Financial management systems are not user-friendly and do not produce reports that managers can use to make informed decisions.

CONCLUSION

A new era in the transformation process was ushered in on 1 April 1998. During this phase, policies designed to complete the transformation process will be implemented. Success will depend on whether the policies take seed in fertile ground. A major challenge in this regard will be to develop, within a short period of time, the capacity and skills needed to operate in a new paradigm of decentralized management.

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